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Before the
Federal Communications Commission
Washington, D. C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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In the Matter of)
)
Simplification of the Depreciation) CC Docket No. 92-296
Prescription Process)

**REPLY COMMENTS
OF THE
UNITED STATES TELEPHONE ASSOCIATION**

The United States Telephone Association (USTA) respectfully submits its reply to the comments filed November 14, 1994 in the above-referenced proceeding. In its comments, USTA recommended that, in order to provide the maximum benefit possible under the limited simplification allowed, the Commission proceed expeditiously to adopt the proposed ranges, adopt USTA's Petition for Reconsideration and initiate a review of the Copper, Digital Switch and Digital Circuit accounts.

Virtually every commenting party expressed qualified support for the proposed ranges.¹ Several also noted the importance of prompt action by the Commission to approve the proposed ranges in order to allow many of the companies scheduled for 1995 represcription to use the ranges and thereby avoid unnecessary

¹USTA at 1, Bell Atlantic at 3, Pacific Companies at 3, Southwestern Bell at 2, National Association of Regulatory Utility Commissioners at 4 and MCI at 2. The Missouri Public Service Commission, supported by the Idaho Public Utilities Commission, made several proposals which would reverse the Commission's efforts toward greater simplification and would be more costly and more complex than even the current process. In addition, several of their proposals are not relevant to this proceeding. None of these proposals should be considered by the Commission.

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regulatory expense.²

However, the majority of commenting parties recognize that the ranges do not fully reflect realistic market and technology trends.³ The proposed ranges have significantly higher projection lives than are currently prescribed for AT&T even though AT&T uses the same equipment for the provision of similar services.⁴ There is no reasonable justification for such a distinction and USTA agrees that ranges which are more consistent with AT&T's prescribed projection lives would be more appropriate.

USTA urged the Commission to utilize a more forward-looking approach as recommended by Technology Futures, Inc. (TFI)⁵ For example, the Commission's projected life range for metallic underground cable far exceed other Commission-approved projections.⁶ In order to achieve greater simplification and to resolve the inequities inherent in the current, as well as the proposed, ranges, the Commission must adopt the forward-looking ranges as set forth by TFI. The Commission should immediately initiate a review of the ranges for all Copper Cable, Digital

²USTA at 2, Bell Atlantic at 3-4, Southwestern Bell at 2.

³USTA at 1-2, Ameritech at 3-4, Bell Atlantic at pp 2-3, BellSouth at 4, Pacific Companies at 3, Southwestern Bell at pp 4-5, United at pp 1-2, and U S WEST at 1-2.

⁴Ameritech at 2-4. Cable companies have similar flexibility. See also Bell Atlantic at 3.

⁵See also, Bell Atlantic at 2-3, Southwestern Bell at 4-5, United at 2-3.

⁶Bell Atlantic at 2-3.

Switch and Digital Circuit accounts. In addition, the Commission should eliminate the requirement that full study data is necessary for companies to adopt the ranges and eliminate the requirement to file mortality data.⁷ Ultimately, the Commission's objectives will not be fully realized until exchange carriers are permitted to utilize the Price Cap Carrier option.⁸

Respectfully submitted

UNITED STATES TELEPHONE ASSOCIATION

By: _____

Mary McDermott
Vice President and General
Counsel

Linda Kent
Associate General Counsel

1401 H Street, NW, Suite 600
Washington, D. C. 20005
(202) 326-7248

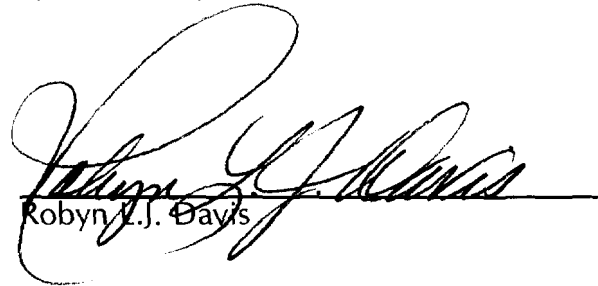
December 14, 1994

⁷See also Bell Atlantic at 4, U S WEST at 3.

⁸See also BellSouth at 2-4.

CERTIFICATE OF SERVICE

I, Robyn L.J. Davis, do certify that on December 14, 1994 copies of the Reply Comments of the United States Telephone Association were either hand-delivered, or deposited in the U.S. Mail, first-class, postage prepaid to the persons on the attached service list.



Robyn L.J. Davis

William B. Barfield
M. Robert Sutherland
BellSouth
4300 Southern Bell Center
675 West Peachtree Street, NE
Atlanta, GA 30375

Paul Rodgers
Charles D. Gray
James Bradford Ramsay
NARUC
1102 ICC Building
P.O. Box 648
Washington, DC 20044

Peter Arth, Jr.
Edward W. O'Neill
Ellen S. Levine
People of the State of California and
the PUC of the State of California
505 Van Ness Avenue
San Francisco, CA 94102

Robert E. Temmer
Colorado PUC
Office Level 2 (OL-2)
1580 Logan Street
Denver, CO 80203

Stephanie Miller
Idaho PUC
472 West Washington Street
Boise, ID 83702

Ronald G. Choura
Michigan PSC
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

Eric Witte
Missouri PSC
P.O. Box 360
Jefferson City, MO 65102

Frank E. Landis
Nebraska PSC
300 The Atrium
Lincoln, NE 68508

Michael P. Gallagher
New Jersey Board of Regulatory
Commissioners
CN 350
Trenton, NJ 08625

William J. Cowan
N.Y. DPS
Three Empire State Plaza
Albany, NY 12223

Leo M. Reinbold
Susan E. Wefald
Bruce Hagen
North Dakota PSC
State Capitol
Bismarck, ND 58505

Maribeth D. Snapp
Oklahoma Corporation Comm. PUD
400 Jim Thorpe Office Building
Oklahoma City, OK 73105

Ron Eachus
Joan H. Smith
Roger Hamilton
Oregon PUC
550 Capitol Street, NE
Salem, OR 97310

Rowland L. Curry
PUC of Texas
7800 Shoal Creek Boulevard
Austin, TX 78757

Thomas F. Peel
Utah Division of Public Utilities
160 East 300 South
P.O. Box 45807
Salt Lake City, UT 84145

Edward C. Addison
William Irby
Virginia State Corporation
Commission
Staff
P.O. Box 1197
Richmond, VA 23209

Scot Cullen
PSC of Wisconsin
4802 Sheboygan Avenue
P.O. Box 7854
Madison, WI 53707

Michael McRae
District of Columbia Office of
People's Counsel
1133 15th Street, NW
Suite 500
Washington, DC 20005

Tim Seat
Indiana Office of Utility Consumer
100 N. Senate Avenue
Room N 501
Indianapolis, IN 46204

Philip F. McClelland
Laura Jan Goldberg
Pennsylvania Office of Consumer
Advocate
Office of Attorney General
1425 Strawberry Square
Harrisburg, PA 17120

Elizabeth Dickerson
MCI
1801 Pennsylvania Avenue, NW
Washington, DC 20006

James N. Norris
BellCore
LCC-2B248
290 West Mt. Pleasant Avenue
Livingston, NJ 07039

Frank W. Lloyd
Mintz, Levin, Cohn, Ferris, Glovsky
and Popeo, P.C.
701 Pennsylvania Avenue, NW
Suite 900
Washington, DC 20004

Brian R. Moir
International Communications Assn.
Moir & Hardman
2000 L Street, NW
Suite 512
Washington, DC 20036

Floyd S. Keene
Barbara J. Kern
Ameritech Operating Cos.
2000 West Ameritech Center Drive
Room 4H88
Hoffman Estates, IL 60196

Edward D. Young, III
Christopher W. Savage
Bell Atlantic
1710 H Street, NW
Washington, DC 20006

Robert S. Sigmon
Cincinnati Bell
201 E. Fourth Street, 102-320
P.O. Box 2301
Cincinnati, OH 45201

Robert McKenna, HQE03J36
GTE Service Corporation
P.O. Box 152092
Irving, TX 75015

Gail L. Polivy
GTE Service Corporation
1850 M Street, NW
Suite 1200
Washington, DC 20036

Mary McDermott
Campbell L. Ayling
NYNEX
120 Bloomingdale Road
White Plains, NY 10605

James P. Tuthill
Lucille M. Mates
Pacific Bell and Nevada Bell
140 New Montgomery Street
Room 1526
San Francisco, CA 94105

James L. Wurtz
Pacific Bell and Nevada Bell
1275 Pennsylvania Avenue, NW
Washington, DC 20004

Eugene J. Baldrate
SNET
227 Church Street
New Haven, CT 06510

James E. Taylor
Richard C. Hartgrove
Bruce E. Beard
Southwestern Bell Telephone Co.
One Bell Center
Suite 3520
St. Louis, MO 63101

Jay Keithley
United Telephone - Southeast, Inc.
1850 M Street, NW
Suite 1100
Washington, DC 20036

W. Richard Morris
United Telephone - Southeast, Inc.
P.O. Box 11315
Kansas City, MO 64112

James T. Hannon
U S WEST Communications, Inc.
1020 19th Street, NW
Suite 700
Washington, DC 20036

International Transcription Service
2100 M Street, NW
Suite 140
Washington, DC 20036